



GENERAL LAW COMMITTEE TESTIMONY

By Stan Sorkin, President

Connecticut Food Association

February 7, 2013

TESTIMONY IN OPPOSITION TO HB Nos. 5313 & 5334: ACTS REQUIRING GASOLINE STATIONS BE EQUIPED WITH GENERATORS and IN FAVOR OF SB No. 321: AN ACT PROVIDING INCENTIVES FOR THE GAS STATIONS AND GROCERY STORES TO PURCHASE EMERGENCY GENERATORS.

The Connecticut Food Association is the state trade association that conducts programs in public affairs, food safety, research, education and industry relations on behalf of its 240 member companies—food retailers, wholesalers, distributors, and service providers in the state of Connecticut. CFA's members in Connecticut operate approximately 300 retail food stores and 200 pharmacies. Their combined estimated annual sales volume of \$5.7 billion represents 75% of all retail food store sales in Connecticut. CFA's retail membership is composed of independent supermarkets, regional firms, and large multi-store chains employing over 30,000 associates. The majority of our members are family-owned privately held businesses. Our goal is to create a growth oriented economic climate that makes Connecticut more competitive with surrounding states.

I am Stan Sorkin, President of the Connecticut Food Association. The membership of the Connecticut Food Association who operates gas stations in the state is **opposed to HB 5313 and HB 5334**. Grocers currently operate 36 gas stations in CT. These bills which mandate generators at gas stations would place a heavy cost burden on a company. It is cost prohibitive to have generators at each fueling site.

Companies would be forced to assume the following costs and local regulatory constraints:

- To purchase and install a permanent generator at an existing gas station - \$70,000 per location, not including fuel or maintenance cost and permitting cost.
- To purchase and install a permanent generator at a new gas station - \$50,000 per location, not including fuel or maintenance cost and permitting cost.

Additionally, each town will have differing permitting requirements and ordinances such as placement of generator, distance from property line, noise levels which could impact ability to install the generators.

To respond to a short term problem of this type, there is an efficient standard operating procedure in place to get a fueling station up and running when there is a power outage- generator rental. When a station goes down, the operator rents a generator, arranges for an electrician to hook it up and arranges for a supply of diesel to run the generator on a daily basis. This additional expense is a more reasonable approximate \$2500 a week.

While the intent of the law may be well meaning, the main problem that occurred with Hurricane Sandy was the fact that ports and refineries were closed. Therefore, fuel facilities were unable to refuel. This bill would not solve that problem but only make gas prices higher than the current rates in CT which are among the highest in the country. **Therefore, we urge you to reject HB no 5313 and HB 5344.**

However, we support SB No. 321 which would provide incentives to both grocery stores and gas stations to purchase emergency generators. Establishing a program offering low interest state loans and a reduced property tax burden property, would allow an operator to make a logical business decision based on his needs and financial capability. The incentives would give the operator a welcomed "push" toward purchasing an emergency generator when doing his risk/reward analysis. Grocers and gas station operators are committed to keeping their units operating during emergencies; this legislation would ease their cost to make it happen.